

CITIZEN'S TRANSPORTATION OVERSIGHT COMMITTEE

Arizona Department of Transportation

Draft Minutes September 25, 2007

A Citizen's Transportation Oversight Committee (CTOC) meeting was held at the Arizona Department of Transportation, 206 South 17th Avenue, Transportation Board Room 145-147, Phoenix, Arizona 85007 on September 25, 2007, with Chairman F. Rockne Arnett presiding.

Members Present:

Roc Arnett, Chairman
Jack Lunsford, Member at Large (Conference call)
Jeffrey Schwartz, Maricopa County District 2
Nelson Ladd, Maricopa County District 3
Leyton Woolf, Maricopa County District 4
Peggy Jones, Maricopa County District 5

Members Absent:

Terry Rainey, Maricopa County District 1

Others Present:

Randall Overmyer, City of Surprise
Kevin Biesty, ADOT
Elizabeth Neville, ADOT
Dianne Kresich, ADOT
Dianne Barker, Citizen
William "Blue" Crowley, Citizen
Sandra Quijada, ADOT
Adrienne Riordon, A. G.'s Office
John Hunter, Deloitte and Touche, LLP
Marty Schultz, Arizona Time Coalition

Kwi Kang, ADOT
Craig Rudolphy, ADOT
Lynne Hilliard, Maricopa Dept. of Transportation
Joe Ryan, Citizen
Bob McKnight, Citizen
Bill Hayden, ADOT
Edward Johnson, Citizen
Joe Acosta, Attorney General's Office
Matthew Fleming, ADOT

1. Call to Order:

Chairman Arnett Called to Order the Citizen's Transportation Oversight Committee meeting at 4:00 p.m. He welcomed the public, public officials, members of the CTOC Board and ADOT staff to the meeting. New Board Members Leyton Woolf and Peggy Jones were introduced. It was also noted Jack Lunsford, Member at Large was present by conference call.

2. Approval of Minutes:

Chairman Arnett called for a motion to approve the minutes of the June 19, 2007, meeting.

Board Action: Leyton Woolf moved to approve the June 19, 2007 minutes and the motion was seconded by Peggy Jones and carried unanimously.

3. Regional Freeway Status Report:

Bill Hayden, ADOT Regional Freeway Office briefed the Committee on the status of the current Regional Freeway Projects. A graphic was shown and included I-10, Bullard Avenue, east of the proposed future 303 Loop Traffic Interchange under construction with anticipated completion February 2008; I-17, work in the north valley includes projects to be bid on Loop 101 north to Carefree Highway; adding a general purpose lane north and south bound and HOV lanes north and south bound on a graphic proposing I-17 projects was shared. Loop 101 to Jomax will be advertised this week with selection of a contractor in November. Advertising for Jomax north to Carefree Highway will be advertised in late October or November with construction to begin after January 1, 2008. Already under construction in the north valley are two traffic interchanges, the Jomax Road T.I. to be completed in August 2008 and the Dixiletta T.I. On I-17, Carefree Highway, a reconstruction of an existing T.I. is under construction. Several major HOV projects underway or soon to be, include SR51, an eight mile project with Shea on the south and Loop 101 on the north and a HOV ramp connector between SR51 and Loop 101. This project is anticipated to be complete next summer. Several other HOV projects include Loop 101 to Princess on the north, south to the 101/202 traffic interchange. Also 14.8 miles of HOV construction began this month to be completed in December 2008. South of the T.I., HOV lanes will be added and connect Loop 202 T.I., in the Red Mountain Interchange with the Loop 202 Santan Freeway Interchange in Chandler. South of Red Mountain Loop 202 Interchange, an addition of 5.3 miles of HOV lanes south to Baseline Road. Also 4.2 miles of HOV lanes on Price Road freeway from Loop 202 to Baseline Road and another 5.5 miles to the Loop 202. Part of the Regional Transportation Plan is to add a total 75 miles of new HOV lanes during the 20-year construction period. Northwest Valley, Loop 303 or Estrella Freeway project that will connect I-17 on the east of Lone Mountain Road west to Lake Pleasant Road begins in February 2009. Continuing from Lake Pleasant west to Happy Valley Road a project begins in September 2008 and completes in fall 2010. Red Mountain Freeway to Power Road, a 5.5 mile project is under construction and will complete the Red Mountain Freeway from Power Road to US60 and connect at University Drive – complete fall 2008 and represent completion of 137 miles of the RFS and close out the funds for the RFS funded by Proposition 300. Additional projects are in the Regional Transportation Plan using the extension of the half-cent sales tax.

Nelson Ladd, Board Member asked about congestion on SR51/I-10 and HOV lanes.

In answer about HOV lanes on 101 from SR 51 to I-10, Mr. Hayden said there are plans in the second and third phase to continue HOV lanes on Loop 101 from I-17 west and south to tie with I-10.

Bill Hayden presented handouts on the STAN (Statewide Transportation Acceleration Needs) account, STAN II. Last year, the State legislature approved STAN I, \$307 million of new funds into the transportation system. MAG Regional System was programmed to receive sixty percent of the fund, approximately \$184 million. This year, the legislature approved STAN II, an additional \$62 million to be used for regular transportation projects. When STAN I was approved, Goodyear, Avondale and Litchfield Park desired to accelerate the widening of I-10 from Loop 101 west to Sarival Road, an eight mile segment. Currently there are four traffic lanes and no HOV lanes. This project was planned for 2014. The cities chose to accelerate this project by participating financially in the construction and financing of the project with \$7.4 million HELP loan funds to advance design plans so construction could begin in 2008. The west valley pursued the approval of a Grant Anticipation Note of \$122 million for the construction. Cost has increased to \$153 million. The cities are willing to pay the financing on the GANS loan and HELP loan. As a result, the west valley cities believed funds for STAN I would pay for the interest costs for \$122 million GANS loan. Legal staff later ruled that those funds could not be used for interest repayment but only for construction or right-of-way purchases. As a result, the legislature felt incumbent to do something. With approval of STAN II, two subprograms were identified. The first was to add \$10 million which would have paid for the interest payment, some paid by the MAG program and some paid by the cities. Another \$10 million subprogram was to be spent for roads of regional significance in the east valley. As a result, in June when the state budget was approved, they included the STAN II Bill as part of the budget. Upon approval of the budget and the bill, the west valley cities went to MAG and said we now have funds to advance the financing of this project and have a GANS almost in place. It was felt that because the \$10 million they believed would be provided

by STAN II, they asked MAG Regional Council to approve the \$10 million funding for interest repayment of the GANS loan. In August, through the MAG process, the proposal was reviewed with a recommendation of each committee to go forward with the funding. However, on the last meeting in August, the Regional Council met and in the process of reviewing the votes of each city and mayors, the chair asked each mayor for a yes or no vote and their rationale. One city invoked a rule that allowed for weighting voting so the most populous cities would have about 70 percent of the total vote. The result is the committee as a whole did not approve the full \$10 million. There was a spirited discussion. The chair suggested a compromise. A mayor suggested a different ratio rather than 100 percent be considered. A motion was made that 60 percent be paid from MAG funds and 40 percent paid by the cities. The west valley cities expressed displeasure of the recommendation however agreed to go forward for the sake of regionalism. The Regional Council chair suggested they take two weeks to discuss with their councils and return with their final recommendation. One of the west valley cities returned with a compromise recommendation. Rather than a 60-40 split, a 70-30 split would be more equitable, cities paying approximately \$2.7 million of interest. After discussion, the vote was 24 cities yes and one city voted no. The decision was made to go forward to the State Transportation Board at the September meeting. At that meeting, several board members were concerned about the Board's legal rights with the distribution of those funds. A decision was postponed and legal is currently reviewing questions asked by board members to respond within fifteen days. The State Transportation Board meets again in October. If we continue to delay a final action by west valley cities, MAG and ADOT, as a result of the I-17 projects, there would be a delay in this project. We're in the process of working with west valley cities to come to closure and report back to the Board.

Jack Lunsford, Member at Large asked: If the questions were legal in nature, could they have been anticipated.

Mr. Hayden said yes, questions were anticipated. The question is, does the State Transportation Board have the prerogative to take the \$10 million or other STAN II funds and distribute that statewide. And are there other projects that may have been eligible and there are issues regarding the funding of projects in Maricopa versus statewide.

Mr. Lunsford stated he would like to see agreement in the southwest valley as soon as a decision is made by the State Transportation Board.

Chairman Arnett feels that one of the reasons that the weighted vote was called for was that this \$10 million was previously scheduled dollars for the program and it was earmarking special programs and in his judgment was inappropriate.

Mr. Lunsford agrees with Chairman Arnett on the issue that the funds were being taken from programs and that he disagrees with the Chair on what constitutes an earmark.

4. Financial Compliance Audit:

Bill Hayden spoke regarding the requirements and standards for the Annual Financial Compliance Audit. Time has been spent meeting with the Auditor General's office for an opinion of whether or not the last audit complied with statutory laws pertaining to the auditing of all financial actions associated with the implementation of the Regional Area Road Funds. Legal staff stated it didn't appear the prior audit complied because all financial transactions were not audited, however further research was needed. It was stated that the Auditor General's Office will attend the next meeting to express their legal opinion on this issue. Handouts on "Accounting for Governmental and Nonprofit Entities" and Agreed-Upon Procedures Engagements were distributed.

John Hunter of Deloitte & Touche, LLP, provided a summary of the auditing process. Deloitte does four financial audits for separate financial reports on ADOT and these are rolled into the State's audit. Federal compliance procedures are followed. An audit is the highest level of test an auditor can make, stating whether financial statements are materially correct. "Agreed Upon Procedures", are done in relation to the Citizens Transportation Oversight Committee's compliance with the Arizona Revised Statutes. Those procedures are determined by the management of ADOT/CTOC and were determined historically with the idea of meeting the statute. Upon those procedures being set, auditors perform and record specifically what procedures are done and outcomes of those procedures. There is not an overall conclusion. A Financial Statement Audit is more complex than Agreed Upon Procedures. Not all transactions can be audited. A sampling is statistically based. What we do with "Agreed Upon Procedures" is what the management asks me to do as long as they relate to what auditors can do. We report on those findings with those procedures. The legal department needs to give you the scope of work.

Nelson Ladd asked who the manager of CTOC is.

Chairman Arnett replied, ADOT is.

Chairman Arnett recognized Dianne Barker to speak on the audit agenda item.

Dianne Barker, Citizen thanked Nelson Ladd for his observation of who is to manage the audit issue. She also stated she appreciates that folks are checking into the audit information. The audit sampling idea came up when the other auditor was around and I'm not sure that is good. The projects were just for highways. There wasn't transit information of which Regional Area Road Fund - Proposition 400 covers both areas. There was no sampling at all for transit. They said you're right at the other meeting. I haven't heard that tonight. I really don't think this should be run by ADOT. Proposition 400 also has other portions of transportation, MAG, RPTA and so forth and we need to have a balanced transportation plan.

Chairman Arnett asked if other citizens would like to speak to this item.

There were no other comments.

5. I-10 Widening (SR51 to Baseline Road):

Bill Hayden presented a video on the I-10 Widening – SR 51 to Baseline Road.

6. Pinal County Study:

Dianne Kresich, ADOT Transportation Planning Division presented an update on the Pinal County Study. A PowerPoint presentation and maps were shared. The studies conducted were the Williams Gateway Corridor Definition Study, the US 60 Corridor Definition Study and the Pinal County Corridors Definition Study. All three were concluded in 2006 and were for the purpose of identifying need for and feasibility of potential new highway corridors in northern Pinal County. Recommendations were made to the Transportation Board and were incorporated into MoveAZ, the statewide long-range transportation plan. The process included looking at current conditions regarding population, employment, travel and then forecasts were made for 2030. The question of how well will our existing roads meet the needs of the future and it was determined that existing roads will not meet the needs. The next question was what roads would be feasible. Next steps were feasibility analysis, stakeholder meetings and consultation with communities. A decision was made to look beyond 2030, to look at build-out to determine needs. New corridors were identified on a map. Conclusions included widening of existing highways and future state highways. Freeway corridors reflect general locations where future facilities may be located. ADOT began studies that will determine the alignments. Additional corridor definition studies were identified on a map. Feasibility and need are being identified; not alignments. With rapid growth anticipated, alternatives to I-10 are being reviewed.

Connectivity with corridors identified further north is important. Multimodal opportunities need to be explored.

Chairman Arnett asked can you explain what you are doing in the framework study?

Ms. Kresich said that the framework studies are still in the process of being defined. The framework studies are a statewide effort looking at every region and at long-term needs. This study exists independent of that effort but will be important in terms of coordination and communication. Both are looking at needs into the future.

Chairman Arnett added that he and Jack Lunsford are part of the T.I.M.E. Coalition and have encouraged the Department of Transportation to approve those framework studies. The definition of framework study boundaries are in the process of being discussed. Once decided, the studies will begin. The studies are going to identify a 40-50 year horizon for transportation needs and then consideration for planning and funding.

7. Policy on Call to the Public:

This item was tabled.

8. Proposed CTOC 2008 Meeting Schedule:

Bill Hayden recommended for the Committee's consideration, that this coming year, in response to requests from other metropolitan areas, geographically spreading meetings around the valley.

Chairman Arnett asked for a motion to approve the Proposed Meeting Schedule for 2008.

Board Action: Leyton Woolf moved to approve the Proposed Meeting Schedule for 2008 and the motion was seconded by Nelson Ladd and carried unanimously.

9. CTOC Budget:

Copies of the Proposed CTOC Budget for Fiscal Year 07/08 were distributed to the Committee members along with last year's budget for their reference.

Bill Hayden stated \$20,000 has been allotted for Personal Services, \$7,000 for Employee Related expenses; \$17,000 for Professional and Outside Services; \$1,000 for In-State Travel; \$7,000 for Other Operating Expenses and \$1,000 for Non-Capital Equipment for a total budget of \$53,000.

A question was asked what exactly the \$17,000 included.

In reply it was stated that approximately \$14,000 has been set aside for the annual Financial Compliance Audit and monies for meeting transcription cost.

Chairman Arnett asked for a motion to approve the CTOC Budget.

Board Action: Leyton Woolf moved to approve the Citizen's Transportation Oversight Committee's Proposed FY 07-08 Budget and the motion was seconded by Nelson Ladd and carried unanimously.

10. Call to the Public:

Chairman Arnett stated that the Committee will provide the public an opportunity to address the CTOC Committee on Agenda Items and Items of Interest that are not on the Agenda that are within the jurisdiction of CTOC. Those wishing to comment on Agenda Items posted for action will be provided a (3) minute opportunity at the time the item is heard. Citizens are requested not to exceed a (3) minute time period for their comments. A total of (15) minutes will be provided for "Call to the Public" on Agenda Items unless the CTOC Committee requests an exception to this limit.

Chairman Arnett called on Mr. Crowley.

William Crowley, Citizen stated: Mr. Arnett, in your leadership of this Committee, I would like to go off on a different tangent that should be addressed by this Committee. District 5 now has representation. I was the appointee three times but for 17 years, Mr. Ladd's District had the Phoenix representation. Why is this? I've asked to have this explained to me for years now. Why the decision was made that Mr. Gawlitta be Phoenix representation only in that district. When this Committee meets and there are only three activists that come to it, you aren't doing it correctly. I appreciate what you say is done in different cities but you didn't say each one of the different districts. With the chairman's prerogative all the time, we could be in the east valley all the time. I want it to be to all the districts. It was something which I was appointed I immediately went to Mr. Hayden and said it doesn't have to be the whole Committee; I want to find out what is the size of the state of New Jersey because that's how big this county is. I appreciate your efforts here but it is a citizen's committee here sir. The open meeting law is not a toy. You know it so well. What you did again tonight for a third meeting in a row, as in last meeting, when you were told by the attorney that you are to treat everybody the same, and that all issues were to be treated the same, when it came time for me to input on to what had happened, you did what? An open meeting violation. You continually make sure the public isn't a part of it. You don't advertise long enough. You don't do outreach and this when it comes to the RPTA, and the other half of the equation, the RPTA should be examined to that same extent and that is where you are not doing it.

Chairman Arnett - Mr. Crowley, your time is up.

Chairman Arnett called on Ms. Barker.

Dianne Barker, Citizen stated she handed in a form and said, I am going to make this mute. Basically I think you folks have heard from me. I'm not going to ask you to get back with me on anything that I have said tonight except if you want to. The letter I sent out in August by the internet and basically I think that if the City of Phoenix is saying that the Office of Inspector General, and their ideas closed, that's not true; you can't seem to handle that problem. If you start doing transit, you probably won't get into the light rail which is a big hornet's nest. So putting that on the side, air quality funds are needed for the whole area in the RARF. I believe we are going to have a public private project to finish the light rail. That is in Regional Area Road Fund because there isn't enough money. I went to the RPTA meeting and heard about the decreasing revenues of RARF and I believe we are going to have someone strong in the MAG system that is going to have to hatchet projects. We keep creating these funds out of the legislature. I'm not trying to be doomsday, there is a brighter future. We need to look to see how we solve our problems. We can do things to get around the old way. As far as public involvement, I believe that with the open meeting law, the intent is full public involvement. You guys when you are not here, you are taxpayers too, you can wear a citizen hat. People should be here at the federal process to see if our 450 is for full involvement so if the state wants to slight the citizens under the open meeting and guess what, we will hammer at the feds. We already have them in other areas looking at this area. Everybody needs to do their job to support the citizens of this area for the ultimate reason that we would have good flowing flexible transportation.

Chairman Arnett called on Mr. Ryan.

Joe Ryan, Citizen said that he does not push anything for Sun City West. The idea of an earmark is when a congressman or someone gets money for his district. That is not the case with Joe Ryan. When you look at the situation with I-10 widening, Litchfield Park isn't even on I-10. And they said it's a good idea. The vote that was taken of all the members of MAG was that the full amount, \$10 million to be paid for out of the state fund and \$0 for Litchfield Park. A councilwoman from Phoenix said we want the vote put by the population. If I remember sir, you were voting on the Phoenix side. Nevertheless, Phoenix won. When you widen a highway going to an intersection, you make the bottleneck worse. It's great to have I-10 widened going toward the deck park tunnel. But if you look at that in the afternoon, it's not that much of a problem but it is coming from the 202 side. As you widen these roads to these under built interchanges, you get worse congestion. What you want to do is get the traffic out of those intersections. I suggested years ago that we have rapid transit. I suggested it since many times. If you look at rapid transit that I proposed and I am an old transportation planner. First of all you say, what is the least dangerous. What is the most convenient? Lots of small vehicles frequently on a route is most convenient. People say the population in Arizona will never take rapid transit. I've seen many cases where people get out of their cars, get on rapid transit when you get convenient service. I'm suggesting that we need rapid transit. We need to do it in a professional way. I hope you will put these things on agendas. When we have these meetings, and citizens make a point of a problem or an oversight, the problem should be carried up to MAG by the chairman. It doesn't need to get on our agenda. I'm also suggesting you have a meeting once a month because if there is something to be taken care of and you're not going to meet for another three months, you have a problem. In view of that, I suggest your meetings be in the evening and once a month.

11. Next Scheduled Meeting:

Tuesday, November 27, 2007, at 4:00 p.m.
Tentative: Chandler Council Chambers
Chandler Mail Library, 2nd Floor

12. CTOC Members Reports:

Mr. Nelson asked about the vote on I-10 on the west side. He asked if the chairman was in a position to vote for CTOC.

Chairman Arnett stated that he did and that his position was against earmarks.

Mr. Nelson asked if his position and his seat was a CTOC vote.

Chairman Arnett said that was a good question.

Mr. Nelson stated that if so, he or any other Board members did not get to provide input to the Chair prior to the vote.

Chairman Arnett stated that he should have passed as there was not a meeting held to discuss. They could have taken a poll.

Chairman Arnett said they would look into whether the statute requires that the chair vote on behalf of CTOC.

13. Closing Comments and Adjournment:

There were no further comments.

The meeting was adjourned 6:20 p.m.